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CROATIA

ACTIVITY OVERVIEW

Improving Croatia's Competitiveness



USAID Croatia

Prime Minister Ivo Sanader extends his support for the USAID funded National Competitiveness Council report on the 55 Recommendations For Raising Croatia's Competitiveness that was formally presented to President Mesic and the Government of Croatia in March 2004. The recommendations focused on seven critical areas: education, rule of law, cost and price competitiveness, innovation and technology, development of small and medium enterprises, regional development and the building of clusters, and the development of positive attitudes and leadership.

Implementer: J.E. Austin Associates

Partners: National Competitiveness Council, FIAS Secretariat, secondary cities, business and local government partners, members of the clusters, selected media.

Project completed May 2004

According to the Global Economic Forum in 2003, Croatia ranked 53rd in microeconomic competitiveness and 62nd in competitive growth among 102 participating countries worldwide. Croatia needed to improve both microeconomic foundations and the investment climate for both foreign and domestic investors to enhance its competitiveness in global and regional markets. USAID assisted this effort through technical assistance to the National Competitiveness Council (NCC), direct enterprise support to wood and tourism clusters, economic development initiatives in secondary cities and public education.

The National Competitiveness Council united government leaders, top level executives, unions and higher education representatives to advise Croatia on measures to enhance competitiveness. A recommendation report was presented to the new Government as a comprehensive "roadmap" for increasing competitiveness of Croatian businesses.

The USAID Competitiveness program also enabled industry "clusters", such as tourism and wood products to develop strategic approaches to improve their position in international markets. The local economic development component of the activity improved the capacity of selected cities to expand their economic activities by removing administrative barriers, creating a strong entrepreneurial environment, and attracting both domestic and foreign investors.

The USAID public education initiative increased the understanding and knowledge of media professionals and the general public about competitiveness issues. Improving the competitiveness of Croatian businesses and the country as a whole was, and remains critical as Croatia moves toward EU accession.